

**Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No. D.T.E. 02-24/25
Responses to the Attorney General's Third Set of Information Requests**

Request No. AG-3-6 (Gas)

Please compare the results of the MBA method for allocating gas costs to the standard treatment in which each type of gas is allocated according to a PR method based on monthly gas send out.

Response:

Assuming the "standard treatment" in this question refers to the present CGA methodology approved by the Department in Docket No. 98-51, the difference between the present and proposed methods lies primarily in the determination of base demand costs and the allocation of remaining demand costs. The current method of defining base use supplies requires the identification of specific supply contracts and transportation contracts. The proposed method simply uses average fixed costs of pipeline-delivered supplies. The current method assigns remaining demand costs using a monthly PR weighting factor and then assigns them to classes on the basis of monthly sendout. The proposed method allocates costs to classes first, on the basis of their remaining design day demand and then employs a PR allocator to assign these costs to months.

The attachment shows the differences in results obtained from the two methods using the same gas costs, sales and sendout volumes contained in the filing's MBA calculations.

Person Responsible: James L. Harrison